

Message Text

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ACTION AF-06

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TAGS: ELAB, NI

SUBJ: FMG MOVES TO DEAL WITH POSSIBLE INDUSTRIAL UNREST

REF: LAGOS 11755

SUMMARY: FMG HAS TAKEN TWO MOVES DESIGNED TO KEEP INDUSTRIAL SCENE UNDER CONTROL DURING PERIOD OF ADJUSTMENT TO NEW WAGE SCALES APPROVED IN FMG WHITE PAPER ON UDOJI REPORT (REFTEL). MOVES INCLUDE EXTENSION OF BAN ON STRIKES FOR ONE YEAR PERIOD AND SETTING UP OF SPECIAL CONCILIATION TEAM TO SETTLE DISPUTES WHICH MIGHT ARISE IN PUBLIC SECTOR. REACTIONS TO WHITE PAPER ARE STILL GENERALLY FAVORABLE BUT SOME EDITORIALS BEGINNING TO FOCUS ON ADVERSE ASPECTS OF FMG ACTION. END SUMMARY.

1. FMG ANNOUNCED DECEMBER 30 IT IS EXTENDING FOR ADDITIONAL ONE YEAR PERIOD DECREES 21 OF 1968 AND 53 OF 1969 PERTAINING RESPECTIVELY TO BAN ON STRIKES AND LOCK-OUTS, AND TO USE OF INDUSTRIAL ARBITRATION TRIBUNAL (IAT). FMG STATEMENT STRESSED THAT PROVISIONS OF THESE DECREES WILL BE STRICTLY ENFORCED AND FMG WILL NOT HESITATE TO INVOKE LAW TO IMPOST MAXIMUM PENALTIES ON ANYONE VIOLATING THESE DECREES. GOVERNMENT STATED IT HOPES WORKERS AND EMPLOYERS WOULD CONTINUE TO DEMONSTRATE MUTUAL UNDERSTANDING OF EACH OTHER'S NEEDS AND PROBLEMS, AND WOULD STRICTLY ADHERE TO PROVISIONS OF LAW.

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2. SAME DAY FMG LABOUR COMMISSIONER REVEALED FIVE MEASURES DESIGNED TO DEAL WITH POSSIBLE REPERCUSSIONS ON INDUSTRIAL RELATIONS IN PRIVATE SECTOR STEMMING FROM RECOMMENDATIONS OF UDOJI COMMISSIONS. THESE ARE:

A. ESTABLISHMENT OF SPECIAL CONCILIATION TEAM HEADED BY AN ASSISTANT DIRECTOR OF LABOUR TO SETTLE DISPUTES WHICH MIGHT ARISE IN PRIVATE SECTOR INSPIRED BY UDOJI AWARD. MEASURE, WHICH FALLS UNDER DECREE 21, IS INTENDED TO ELIMINATE ANY DELAY IN DEALING WITH TRADE DISPUTES BY OBVIATING NEED FOR LABOUR COMMISSIONER TO APPOINT CONCILIATOR ON EACH AND EVERY OCCASION THAT TRADE DISPUTE ARISES.

B. UNDER DECREE 53, COMMISSIONER WILL GIVE GENERAL AND STANDING APPROVAL FOR AUTOMATIC REFERENCE TO IAT OF ALL DISPUTES NOT SETTLED BY CONCILIATION.

C. IAT WILL CONSTITUTE SPECIAL DIVISION TO RESOLVE DISPUTES WHICH MIGHT ARISE FROM IMPLEMENTATION OF RECOMMENDATIONS OF PUBLIC SERVICE REVIEW COMMISSION (ESTABLISHED BY FMG WHITE PAPER) AND ACCEPTED BY FMG.

D. IAT CHAIRMAN WILL ASSIGN SINGLE IAT MEMBER TO ANY PLACE IN VARIOUS STATES WHERE TRADE DISPUTES RELATING TO NEW RATES OF PAY REMAINS UNSETTLED BY CONCILIATION.

F. AWARD OF IAT WILL CONTINUE TO BE SUBMITTED TO FEDERAL EXECUTIVE COUNCIL BEFORE CONFIRMATION BY LABOUR COMMISSIONER.

3. IN MAKING ANNOUNCEMENT OF THESE MEASURES LABOUR COMMISSIONER STATED ALL SUBMISSIONS WOULD BE HANDLED EXPEDITIOUSLY. HE REITERATED IT WAS NOT FMG POLICY TO QUOTE COMPLETE EMPLOYERS IN PRIVATE SECTOR TO APPLY RECOMMENDATIONS OF (UDJI) COMMISSION IN RESPECT OF SALARIES AND WAGES TO WORKERS IN SIMILAR CATEGORIES IN THEIR ESTABLISHMENTS. UNQUOTE.

4. REACTIONS TO UDOJI REPORT WHITE PAPER ARE GENERALLY FAVORABLE, FOCUSING MAINLY ON SIZE OF WAGE INCREASE AND NIGERIA'S ABILITY TO AFFORD HIGHLY PAID CIVIL SERVICE. SOME EDITORIALS AND ARTICLES ARE GIVING ATTENTION TO INFLATIONARY IMPACT OF WAGE RISE, PAR-

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TICULARLY OF BACK PAY AWARD. WE ESTIMATE PAYMENT OF ARREARS IN JANUARY COULD TOTAL AS MUCH AS 240 MILLION NAIRA (ONE NEWSPAPER ECONOMIC REPORTER PUTS FIGURE AT 275 MILLION), AMOUNT WHICH SEEMS CERTAIN TO HAVE ADVERSE EFFECT ON ECONOMY. VARIOUS NEWS REPORTS INDICATE MARKET PRICES HAVE SHOWN STRONG INCREASES IN PAST FEW DAYS, AND THAT LANDLORDS ARE MOVING TO BOOST RENTS. TRADE UNION LEADERS HAVE PUBLICLY BEEN SILENT ON REPORT BUT ARE PRESENTLY MEETING UNDER NIGERIAN LABOUR CONGRESS BANNER TO COORDI-

NATE THEIR VIEWS OF SITUATION.

5. ONE EDITORIAL HAS NOTED THAT UDOJI REPORT CONTAINED TWO ESSENTIAL PARTS, I.E., CHANGE OF CIVIL SERVICE TO RESULTS-ORIENTED MANAGEMENT AND PAYMENT OF NEW WAGE SCALES. PAYMENT OF WAGES WITHOUT FIRST IMPLEMENTING MANAGEMENT CHANGES, IT CONCLUDES, CAN ONLY BE CONSIDERED AS DANGEROUSLY INFLATIONARY.

6. COMMENT: FMG ANNOUNCEMENTS INDICATE IT IS AWARE OF POTENTIAL PROBLEMS IN PRIVATE SECTOR OF ECONOMY OVER UDOJI REPORT, AND IS PREPARED TO TAKE STRONG MEASURES TO INSURE INDUSTRIAL PEACE. WHILE UNION LEADERS MIGHT BE WILLING TO GO ALONG WITH FMG ON NEED FOR TRANQUIL PERIOD OF ADJUSTMENT TO NEW WAGE SCALES, IT IS HARD TO SEE HOW POORLY PAID WORKERS NOT COVERED BY UDOJI REPORT CAN REMAIN CALM WHEN FULL IMPACT OF WAGE INCREASE IS FELT IN MARKET PLACE. WE ARE INCLINED TO BELIEVE INDUSTRIAL SCENE WILL NOT REMAIN CALM AND FMG CAN EXPECT SPONTANEOUS STRIKE ACTIONS TO OCCUR IN URBAN AREAS OVER THIS REPORT.

7. IN READING UDOJI REPORT IT SEEMS OBVIOUS PUBLIC SERVICES REVIEW COMMITTEE HAD HOPED TO TIE NEW WAGE SCALES TO FMG EFFORTS TO MODERNIZE FEDERAL AND STATE CIVIL SERVICES. FIRST CHAPTERS OF REPORT FOCUS ON NEED FOR ADOPTION OF MODERN MANAGEMENT CONCEPTS TO MAKE CIVIL SERVICE RESULTS-ORIENTED AND MORE CAPABLE OF OPERATING EFFECTIVELY IN A DEVELOPING SOCIETY. RECOMMEND CHANGES WOULD MAKE MORE EFFECTIVE AND EFFICIENT USE OF LIMITED EXECUTIVE MANPOWER AND ALLOW FMG TO BETTER USE OUL REVENUE FLOWING INTO COUNTRY. NEW PAY SCALES WERE DESIGNED TO HELP PROMOTE THE CHANGES DECESSARY TO PUT THESE CONCEPTS INTO EFFECT. WE TEND TO AGREE, AT LEAST AT THIS POINT, WITH EDITORIAL COMMENT (PARA 5) THAT FMG BY GIVING FULL WAGE INCREASE NOW HAS SURRENDERED CARROT WHICH MAY PROVE TO HAVE BEEN NECESSARY TO IMPLEMENT REST OF COMMISSION'S RECOMMENDATION.
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